



Homeownership Education Updates

Fannie Mae believes homeownership education helps borrowers gain essential knowledge to prepare for sustainable homeownership. With it, borrowers are better informed and have a clearer understanding of the intricate process, benefiting both the homebuyer and the lender. With that in mind, three changes to homebuyer education are being implemented.

- Framework homeownership education \$75 course fee has been waived, reducing the cost burden for borrowers.
- Changes to homeownership education requirements for purchase loans greater than 95% LTV will be implemented December 7, 2019, helping to ensure that new homebuyers are well prepared for sustainable homeownership.
- A new mobile- and web-based application by Framework will launch in 2020.

I. On October 23rd, Fannie Mae officially began waiving the Framework homeownership \$75 course fee.

- Lenders should continue to direct borrowers to register for the course through the existing HomeReady Framework URL:
 - <https://homeready.frameworkhomeownership.org/>
 - Payment fields have been removed.
- To qualify for the \$75 course waiver, borrowers must enroll on or after October 23rd.
 - For reference, certificates of completion will include the course enrollment date.
- Lenders should also update any marketing collateral that still references the \$75 fee.

II. Policy changes for homeownership education requirements are targeted to take effect December 7, 2019.

- Non-HomeReady Purchase loans with LTV, CLTV, or HCLTV > 95%:
 - Today: Homeownership education is not required.
 - December 7: New loan casefiles submitted to Desktop Underwriter® (DU®) on or after the weekend of December 7, 2019 will require that at least one borrower on a mortgage loan with an LTV/CLTV/HCLTV > 95% completes homeownership education, regardless of the mortgage product chosen. This applies to loans where ALL occupying borrowers are first-time homebuyers.
- HomeReady Purchase loans:
 - Today: Homeownership education is required, even if borrowers are not first-time homebuyers.
 - December 7: New loan casefiles submitted to Desktop Underwriter® (DU®) on or after the weekend of December 7, 2019 will require homeownership education for at least one borrower only if ALL occupying borrowers are first-time homebuyers, regardless of LTV.
- No Credit Score borrowers:
 - No policy change – homeownership education will be required for all loans.

III. In 2020, launching a new mobile- and web-based application by Framework designed to provide an improved borrower and lender experience including:

- Simplified registration process
- More customized and personalized content relevant to homebuyers
- Automated certification delivery